

111TH CONGRESS  
1ST SESSION

# H. R. 721

To amend the Internal Revenue Code of 1986 to modify the exception from the 10 percent penalty for early withdrawals from governmental plans for qualified public safety employees.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2009

Mr. MEEK of Florida (for himself and Mr. BRADY of Texas) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the exception from the 10 percent penalty for early withdrawals from governmental plans for qualified public safety employees.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. MODIFICATION OF EXCEPTION FROM 10 PER-**  
4                       **CENT EARLY WITHDRAWAL PENALTY FOR**  
5                       **PUBLIC SAFETY EMPLOYEES.**

6       (a) REPEAL OF RESTRICTION TO DEFINED BENEFIT  
7       PLANS.—Subparagraph (A) of section 72(t)(10)(A) of the

1 Internal Revenue Code of 1986 is amended by striking  
2 “which is a defined benefit plan”.

3 (b) APPLICATION TO ANNUITIES COMMENCING BE-  
4 FORE THE PENSION PROTECTION ACT OF 2006.—Para-  
5 graph (10) of section 72(t) is amended by adding at the  
6 end the following new subparagraph:

7 “(C) TRANSITIONAL RULE FOR ANNU-  
8 ITIES.—Paragraph (4) shall not apply to any  
9 modification to a series of substantially equal  
10 periodic payments which are made with respect  
11 to a qualified public safety employee if such se-  
12 ries of payments commenced—

13 “(i) before the date of the enactment  
14 of the Pension Protection Act of 2006, and

15 “(ii) after such qualified public safety  
16 employee’s separation from service after  
17 attainment of age 50.”.

18 (c) EFFECTIVE DATES.—

19 (1) REPEAL OF RESTRICTION TO DEFINED  
20 BENEFIT PLANS.—The amendment made by sub-  
21 section (a) shall apply to distributions made after  
22 the date of the enactment of the Pension Protection  
23 Act of 2006.

24 (2) TRANSITIONAL RULE FOR ANNUITIES.—The  
25 amendment made by subsection (b) shall apply to

- 1        modifications made after the date of the enactment
- 2        of the Pension Protection Act of 2006.

